



[SEC File No. 270-441, OMB Control No. 3235-0497]

#### Proposed Collection; Comment Request

Upon Written Request, Copies Available From:  
Securities and Exchange Commission  
Office of FOIA Services  
100 F Street, NE  
Washington, DC 20549-2736

Extension: Rule 15c3-4

Notice is hereby given that pursuant to the Paperwork Reduction Act of 1995 (44 U.S.C. 3501 et seq.) (“PRA”), the Securities and Exchange Commission (“Commission”) is soliciting comments on the collection of information provided for in Rule 15c3-4 (17 CFR 240.15c3-4) under the Securities Exchange Act of 1934 (15 U.S.C. 78a et seq.). The Commission plans to submit this existing collection of information to the Office of Management and Budget (“OMB”) for extension and approval.

Rule 15c3-4 requires certain broker-dealers that are registered with the Commission as OTC derivatives dealers, or who compute their net capital charges under Appendix E to Rule 15c3-1 (17 CFR 240.15c3-1) (“ANC firms”), to establish, document, and maintain a system of internal risk management controls. In addition, security-based swap dealers (“SBSDs”) that are subject to Rule 18a-1 (17 CFR 240.18a-1) must comply with Rule 15c3-4 as if they were OTC derivatives dealers. The Rule sets forth the basic elements for an OTC derivatives dealer, an ANC firm, or an SBSD to consider and include when establishing, documenting, and reviewing its internal risk management control system, which is designed to, among other things, ensure the integrity of an OTC derivatives dealer’s, an ANC firm’s, or an SBSD’s risk measurement, monitoring, and management process, to clarify accountability at the appropriate organizational level, and to define the permitted scope of the firm’s activities and level of risk. The Rule also requires that management of an OTC derivatives dealer, ANC firm, or SBSD must periodically review, in accordance with written procedures, the firm’s business activities for consistency with its risk management guidelines.

The staff estimates that the average amount of time a new firm subject to Rule 15c3-4 will spend establishing and documenting its risk management control system is approximately 2,000 hours (666.666667 hours per year when annualized over three years) and that, on average, an existing firm subject to Rule 15c3-4 will spend approximately 200 hours each year to maintain (e.g., reviewing and updating) its risk management control system. Currently, five firms are registered with the Commission as OTC derivatives dealers, five as ANC firms, and one as an SBSD. The staff estimates that approximately two new additional entities may register as OTC derivatives dealers, one new entity may register as an ANC firm, and two new entities may register as SBSDs subject to the requirements of Rule 15c3-4 within the next three years. Thus, the estimated annual burden would be approximately 2,200 hours for the eleven existing firms (five OTC derivatives dealers, five ANC firms, and one SBSD) currently required to comply with Rule 15c3-4 to maintain their risk management control systems,<sup>1</sup> 3,333 hours for the five new firms (two new OTC derivatives dealers, one new ANC firm, and two new SBSDs) to establish and document their risk management control systems,<sup>2</sup> and 1,000 hours for the five new firms (two new OTC derivatives dealers, one new ANC firm, and two new SBSDs) to maintain their risk management control systems.<sup>3</sup> Accordingly, the staff estimates the total annual burden associated with Rule 15c3-4 for the 16 respondents (nine OTC derivatives dealers, six ANC firms, and five SBSDs) will be approximately 6,533 hours per year.

Written comments are invited on: (a) whether the proposed collection of information is necessary for the proper performance of the functions of the Commission, including whether the information shall have practical utility; (b) the accuracy of the Commission's estimates of the burden of the proposed collection of information; (c) ways to enhance the quality, utility, and clarity of the information collected; and (d) ways to minimize the burden of the collection of information on respondents, including through the use of automated collection techniques or other forms of information technology. Consideration will be given to comments and suggestions submitted in writing within 60 days of this publication.

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<sup>1</sup> (200 hours x 11 firms) = 2200.

<sup>2</sup> ((2,000 hours/3 years) x 5 firms) =3,333.

<sup>3</sup> (200 hours x 5 firms) = 1,000.

An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a currently valid OMB control number.

Please direct your written comments to: David Bottom , Acting Director/Chief Information Officer, Securities and Exchange Commission, c/o John Pezzullo, 100 F Street, NE Washington, DC 20549, or send an e-mail to: [PRA\\_Mailbox@SEC.gov](mailto:PRA_Mailbox@SEC.gov).

Dated: January 14, 2022.

J. Matthew DeLesDernier,  
Assistant Secretary.

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